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South Hamgyong Province

1. In January 1952 commodity prices¹ in South Hamgyong Province were five times as great as before the Korean war. Commodity prices began to rise sharply in the fall of 1951 (see Attachment A). The requisition of approximately 65 percent of the harvest of 1951 as tax-in-kind and as donations known as "patriotic grain" left the farmers without grain to put on the market. By January 1952 the North Korean authorities had adopted no measures for relieving the inflationary price and supply pressures.
2. The 1951 provincial rice yield was 70 percent of the average yield. The Yonghung (127-15, 39-33) (CU-5079) and Chongp'yong (127-22, 39-48) (CU-6006) areas, however, yielded 90 percent of the average rice harvest. Restriction of farming activity to the night because of United Nations' air attacks, the thorough labor conscription, and a shortage of fertilizer were responsible for the decreased yield.
3. North Korean authorities collected 23 percent to 27 percent of the provincial harvest as tax-in-kind and 30 percent of the harvest as donations. An estimated 30 percent of the yield marked for requisition was sacrificed in the hulling of the rice which was required of the farmers before its requisition. Five percent to ten percent of the harvest was then collected by the officials to compensate for this hulling loss.
4. In January 1952 approximately one-half of the farmers in the province were near starvation, expecting to live on pine bark and grass through the spring of 1952. Assuming the adoption of no government relief measures, the farmers' food stocks would have been exhausted by the end of February 1952.

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Yonbaek-kun Area

5. Harvests in the Yonbaek-kun (126-20, 38-02) (BT-6612) area in 1951 were 70 percent to 80 percent of the average harvests. About 70 percent of the harvest was requisitioned as tax-in-kind or as donations. Families of North Korean army soldiers and of employees of social and economic organizations were purchasing large amounts of grain in the Yonbaek-kun area in the name of the army or organizations and then selling the grain in the higher-priced Kaesong market. Such transactions were one of the principal reasons for the shortage of food in Yonbaek-kun. The Kaesong market price of one small mal of rice was 11,000 won. On 20 January 1952 the Yonbaek-kun market price of one small mal was 5,000 won compared with a market price of 2,500 won on 10 January 1952.
6. Besides the tax-in-kind and donations of grain, other taxes levied on persons in the area included a land tax of 1,000 won for 1,000 pyong² of land and of 2,500 won for 2,000 pyong of land; a water tax of one sack of grain for every five sacks harvested; a farmers' union fee of 300 North Korean won for each term of three months; a Democratic Young Men's Alliance fee of five North Korean won each month, and a Women's Alliance fee of five North Korean won each month. Residents were also expected to contribute to fund-raising drives for airplanes and tanks. Four straw rice containers or three straw sacks were being requisitioned for each tanpo² of arable land. By 5 January only ten percent of the straw levies had been collected. A regulation, however, ordered completion of the collection by the end of January.

Kaesong

7. On 27 January 1952 at the Togyo market, the only regular market in Kaesong, exchange rates were 10,000 Chinese Communist military certificates to 1,600 North Korean won, and 1,000 North Korean won for 3,700 ROK won. Residents had accepted the use of North Korean won only under pressure of the authorities.
8. Approximately 2,000 to 2,500 persons, chiefly women selling clothing and food-stuffs and elderly men working as brokers, were crowded into stalls in the Togyo market. Young girls worked as money changers. No meat was available in the market. The stalls were selling radishes, turnips, soybean buds, and bean curds, although the Chinese Communist army purchased most of the radishes and turnips. Some women were trading in United States Army uniforms owned by the residents.
9. Gold was being purchased at the market by wealthy North Koreans intending to flee to South Korea, Chinese Communist army officers enroute to China, North Korean army officers, and members of Labor Party cultural operation teams. Gasoline, abandoned by retreating United Nations and ROK forces and sold to traders by North Korean administrative officials, was being traded secretly at Kaesong. Gasoline, privately held, was liable to confiscation. In early January 1952 the chairman of the Kaesong Ginseng Growers' Association purchased a drum of gasoline for 900,000 ROK won; the broker's commission on the purchase was 100,000 won. Rice, usually from the Yonbaek-kun area, was always available; there were no restrictions on rice-vendors.
10. Commodity prices on 27 January 1952 at the Togyo market, quoted in ROK won except as stated, were as follows:

Rice, one large mal²

7,200 won³

3,900 North Korean won

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Gold, one tong ²	65,000 won
Cotton cloth, one p'il ²	180,000 won
Ginseng, two kun ²	63,000 won
Gasoline, one drum	900,000 won
Cotton thread, one ball	120,000 won
United States Army OD uniforms	60,000 won
United States Army fatigue dress	30,000 won
Turnip, one	200 won

- 25X1A 1. [] Comment. Commodity prices for the period covered in this report, the harvest levels of 1951, the rate and manner of collection of taxes-in-kind, and the distribution procedures used with the requisitioned grain were also reported in some detail [] 25X1A

- 25X1 2. [] Comment. Korean units of measure used in this report, with their American equivalents, are as follows:

One p'yong	3.954 square yards
One tanpo	182.6 square yards
One large mal	4.76 gallons
One tong	3.75 grams
One p'il	40 yards
One kun	600 grams

- 25X1A 3. [] Comment. This appears to be an exceptionally low price for a large mal of rice in terms of ROK won, compared to either the rate of exchange for North Korean won, which paragraph 7 states was 1,000 North Korean won, for 3,700 ROK won, or the price in cities such as Seoul or Pusan in the ROK, which was almost ten times this sum in February 1952, according to press reports. Ten thousand ROK won is the equivalent of about one United States dollar.

Enclosure: 1 list of Commodity Prices in North Korean Won.

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ATTACHMENT A

The following commodity prices in North Korean won prevailed at the Wonsan and P'ungjŏn-ni (127-22, 39-23) (CU-5960) markets in September, November, and December 1951, according to [] this report.

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Commodity	September 1951		November 1951		December 1951	
	Wonsan	P'ungjŏn-ni	Wonsan	P'ungjŏn-ni	Wonsan	P'ungjŏn-ni
Rice, 1 mal ¹	3,200	2,600	7,800	5,200	8,800	6,000
Barley, 1 mal	3,000	2,400	7,500	4,900	8,500	6,000
Soybean, 1 mal	2,000	1,100	4,700	2,800	5,500	3,600
Corn, 1 mal	2,300	1,700	5,000	3,500	6,000	4,600
Cotton cloth, 1 p'il	2,800	3,000	4,000	4,200	4,300	4,700
Women's rubber shoes	3,200	3,500	4,500	5,000	5,000	5,700
Worker's shoes	2,200	2,500	3,200	3,500	3,700	4,000
Laundry soap	300	340	380	420	420	480
Matches	600	600	400	500	500	600
Cotton socks	500	600	550	650	600	700
Salt, 5 sung ¹	2,700	3,500	5,200	5,600	5,500	6,000
Cigarettes	150	200	200	250	200	230

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1. [] Comment. The reference throughout the table is to one large mal. Five sung is the equivalent of 2.38 gallons.

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